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29 FEB 1972

MEMORANDUM FOR : Deputy Director for Intelligence
Deputy Director for Plans
Deputy Director for Support
Deputy Director for Science and Technology
General Counsel
Inspector General
Assistant to the Director

SUBJECT : Allegation of Agency Involvement in the U. S.

1. The Management Advisory Group, among others, has reported on the concerns of some employees that the Agency is vulnerable to the charge of having an operational interest in U. S. citizens or organizations in violation of the National Security Act. Attached is my best understanding of the facts. If it is in error or incomplete, I ask that you let me know orally or in writing.

2. I have drafted the attached with two purposes in mind: First, as a basis for some type of issuance that would advise the command line and senior supervisors of policy and facts and, second, as a future issue of "FYI -- Allegations and Answers." I look forward to your comment in the not-too-distant future before it is formally distributed.

WEG

W. E. Colby
Executive Director-Comptroller

Attachment

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1 - Each other addressee
1 - ExDir
① - ER

FYI -- ALLEGATIONS AND ANSWERS

March 1972

ALLEGATION:

In a variety of ways it has been alleged that CIA is working within the United States, with particular attention to extremist groups. A recent article in the Quicksilver Times of 20 January 1972 (attached)*.

FACTS:

1. Section 102 of the National Security Act of 1947, subparagraph D3, states, "The Agency shall have no police, subpoena, law-enforcement powers, or internal security functions."

In his speech to the American Society of Newspaper Editors on 14 April 1971, the Director stated:

"I can assure you that except for the normal responsibilities for protecting the physical security of our own personnel, our facilities, and our classified information, we do not have any such powers and functions; we have never sought any; we do not exercise any. In short, we do not target on American citizens."

In the Director's "State of the Agency" Speech to employees on 17 September 1971, he said:

"I gave a talk to the American Society of Newspaper Editors last winter, as you know, and I did it for only one purpose. That was to try and put in the record a few of these denials that we've all wanted to see put in the public record for some time. And you can rely on those denials. They're true, and you can use that as any text that you may need to demonstrate that we're not in the drug traffic, and that we're not trying to do espionage on American citizens in the United States, and we're not tapping telephone lines, and that we're not doing a lot of other things which we're accused of doing. One of the things that tends to perpetuate some of these

*COMMENT: The two gentlemen cited are former CIA employees. Neither they nor the organizations with which they are currently associated have any operational connection with the Agency.

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ideas are jokes that are made about them, particularly about domestic espionage. Although the jokes have no basis in fact they nevertheless give us a name which we don't deserve. I don't say that that makes all that much difference, but it does make some difference, and this tends to spill over, so I would like to suggest that if you have it in your hearts to do so that you speak up when the occasion arises and try and set the facts straight."

2. From time to time some employees have been concerned that Agency activities might conflict with the National Security Act and the Agency's statements. They can be assured that Agency activities do not. For clarification, some activities which may have been subject to misunderstanding are listed as follows:

a) Security Investigations. Security investigations are conducted on prospective employees, contractors, and consultants. They involve neighborhood checks on the background of these individuals. This is essential to meet the security requirements of the Agency. The resulting information is held in separate security office files and not merged in other Agency files.

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d) Recruitment. CIA recruiters maintain a wide variety of contacts within the United States endeavoring to assist individuals interested in employment with CIA to learn more about it and to join its employee force.

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e) Contracting. In the course of CIA business and operations, a number of contracts for procurement, research, or analysis are made with a variety of U. S. companies and individuals. This in no way constitutes operations in the U. S. but rather secures the assistance of these groups in carrying out the CIA mission of foreign intelligence.

f) Operations. The 1967 Katzenbach Committee report was approved by the Director in March 1967 and is binding on any of our relations with American organizations today. It specifically prohibits covert financial assistance or support, direct or indirect, to any U. S. educational or private voluntary organization. Any relationship or operation the Agency has with an American organization must be and is within these guidelines.

g) Details or Loans. On rare occasions, details of technically qualified CIA personnel or loans of CIA equipment have been made to other U. S. agencies to assist in the carrying out of their responsibilities. An example is the skymarshal program to which some CIA personnel were detailed in order to assist in a rapid initiation of that program. Assistance of this nature in no way constitutes an assumption of responsibility or authority by CIA for the program.

h) Counterintelligence. To carry out its responsibilities for counterintelligence, CIA is interested in the activities of foreign nations or intelligence services aimed at the U. S. To the extent that the activities lie outside the U. S., including activities aimed at the U. S. utilizing U. S. citizens or others, it falls within CIA's responsibilities. Responsibility for coverage of the activities within the U. S. lies with the FBI, as it involves an internal security function. CIA's responsibility and authority are limited to the foreign intelligence aspect of the problem and any action of a law enforcement or internal security nature lies with the FBI or local police forces.

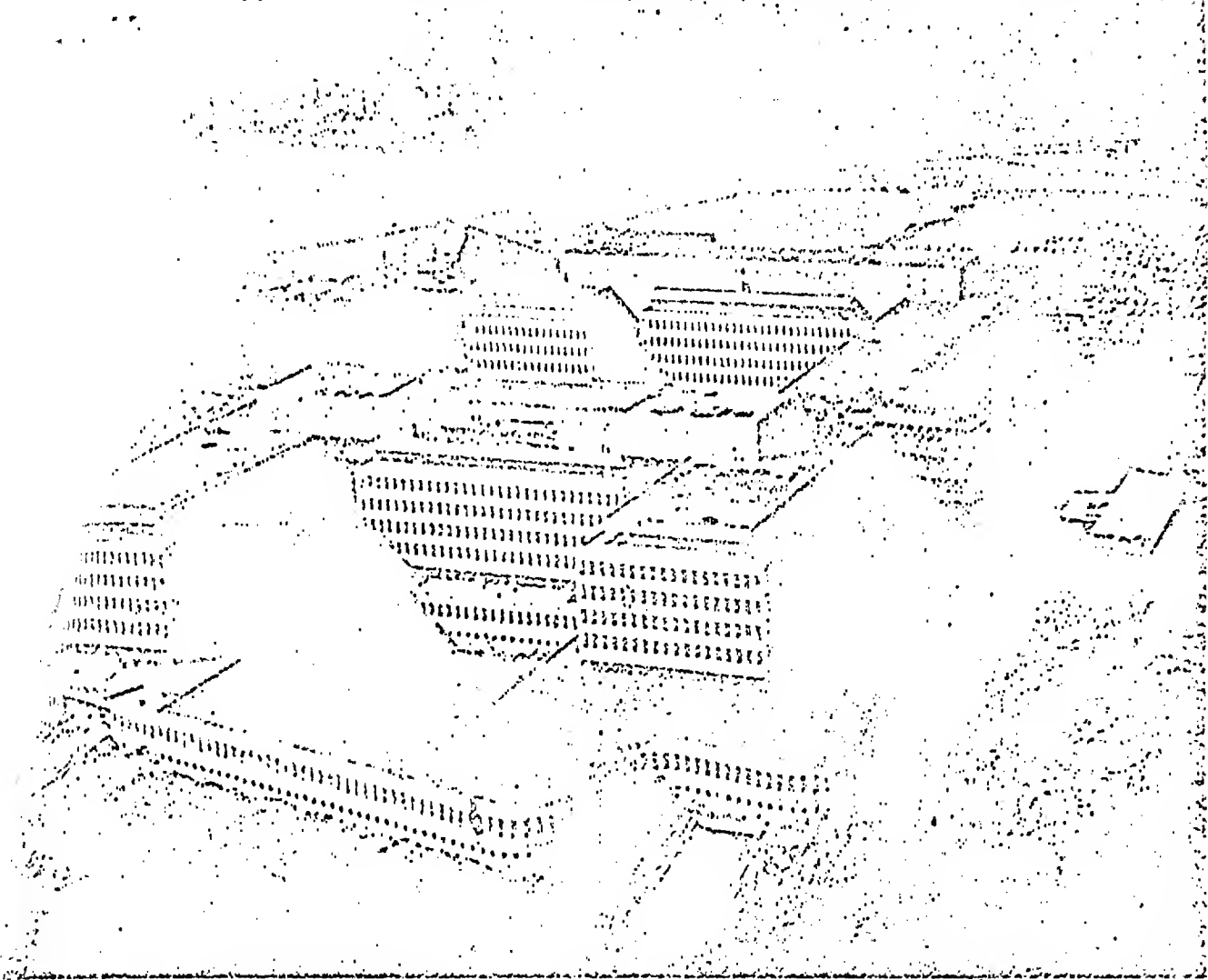
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CIA Headquarters in Virginia

Back yard CIA

The Central Intelligence Agency always insists its men aren't involved in domestic police work. But in Chicago CIA agents have been working with the FBI and Treasury men in an effort to pin the bank bombings on radical groups.

Heretofore, clandestine CIA police work within the US was centered around counter espionage efforts aimed at the Soviet KGB. CIA maintains secret bases in all major US cities. The agency also has training camps in Virginia and the Carolinas. These are masked as regular military bases. Spooks are assigned for duty at Williamsburg, Va.

Two years ago CIA approved for a police force received blue ribbon treatment at Langley, Va., headquarters

They met there with Helms, were shown around, and taken to the secret training camps. That was the beginning of rumors within the agency that the CIA had been given the go ahead to move into domestic police operations. While everyone denied it, the theory was that the CIA was told to get the radicals.

Two recent personnel changes increased speculation. One involved resignation of Helms' special assistant, Robert Kiley. Kiley handled the student operations through National Student Association facades. He recently turned up as associate director of the Police Foundation, a new group launched with a \$30 million Ford Foundation grant. The money is meant to be used to improve local police. The second personnel shift involved Drexel Godfrey, who was head of the CIA's Office of Current Intelligence. He quit this high ranking job, turned up in the narcotics bureau of the Justice Commission at Harrisburg, Pa. group which aims to help improve local

police. Both personnel shifts are cited by agency people to bolstering fronts in the US, thistime, moving into was given a new title recently, making him head of all intelligence and presumably providing him with a legitimate interest in internal police operations. But such suggestions are bitterly denied all around.

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